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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte G. MICHAEL PHILIPS, M. CHAPMAN FINDLAY, III,
STEPHEN A KLEIN, WILLIAM P. JENNINGS, and MARK E. RICE

Appeal 2008-4064
Application 09/615,021
Technology Center 3600

Decided: January 13, 2009

Before HUBERT C. LORIN, ANTON W. FETTING, and
BIBHU R. MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-27, 37, and 39. Claims 28-36 and 40 have been canceled. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF THE DECISION

We REVERSE.

THE INVENTION

The Appellants' claimed invention is directed to providing an asset evaluation/screening tool in which different economic scenarios can be specified and elasticities, sensitivities or similar measures of tendency of the asset value to change based on changes in one or more exogenous variables can be projected under such different scenarios. Such data can then be used to screen or otherwise evaluate assets. (Specification, 1:29-2:2). Claim 1, reproduced below, is representative of the subject matter of appeal.

> 1. A method for evaluating an asset, said method comprising: using at least one computer to:
>
> (a) process historical data for value of an asset and historical data values for plural exogenous variables to obtain a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables, wherein said formula is a function of the exogenous variables;
>
> (b) input projected data values for the exogenous variables; and
>
> (c) estimate a measure of the tendency of the value of the asset to change based on a change in at least one of the exogenous variables using the formula obtained in step (a) and the projected data values input in step (b),
>
> wherein the asset can be purchased by an owner.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Lambert	US 3,270,190	Aug. 30, 1996
Bekaert	US 6,125,355	Sept. 26, 2000
Rebane	US 6,405,179 B1	Jun. 11, 2002
Garg	US 6,144,945	Nov. 7, 2000
Goertzel	US 6,532,449 B1	Mar. 11, 2003

Makridakis, "Forecasting Methods and Applications", John Wiley & Sons, Third Edition, 1988, pp 211-227, 241-260, and 433-439.

The following rejections are before us for review:

1. Claims 1-2, 6-7, 14, 37, and 39 are rejected under 35 U.S.C. § 102(b) as anticipated by Lambert.

2. Claims 3-5, 12-13, and 21 are rejected under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Bekaert.

3. Claims 8-9, 15-18, and 22-26 are rejected under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Makridakis.

4. Claim 10 is rejected under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Rebane.

5. Claim 11 is rejected under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Rebane and Garg.

6. Claim 27 is rejected under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Goertzel.

7. Claims 19-20 are rejected under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Ray.

THE ISSUE

The issue is whether the Appellants have shown that the Examiner erred in rejecting the claims in the aforementioned rejections.

This issue turns on whether Lambert discloses "obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables".

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence[1]:

FF1. Lambert at Column 1, lines 31-35 determines the estimated future price of the stock where $P = AV_1 + BV_2 + CV_3 + DV_4 + EV_5$ +/- K. In this formula P is the price of the stock, V_1-V_5 are variables and A-E are multiplying coefficients.

FF2. The formula of Lambert (FF1) is used as a model to predict an expected high price and low price for a desired stock (Col 1:42-46).

FF3. Lambert fails to disclose obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables (Col. 1:9-70).

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[1] *See Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

FF4. Bekaert fails to disclose obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables. Bekaert does disclose providing sensitivity data for particular input data such as input rates (Col. 4:24-34) but no formula for the overall tendency is disclosed.

FF5. The Examiner has not asserted that Rebane discloses obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables.

FF6. The Examiner has not asserted that Garg discloses obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables.

FF7. The Examiner has not asserted that Goertzel discloses obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables.

FF8. Makridakis discloses forecasting methods based on regression analysis.

FF9. Makridakis does not disclose obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables.

PRINCIPLES OF LAW

Principles of Law Relating to Anticipation

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d

628, 631, (Fed. Cir. 1987). Analysis of whether a claim is patentable over the prior art under 35 U.S.C. § 102 begins with a determination of the scope of the claim. We determine the scope of the claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction in light of the Specification as it would be interpreted by one of ordinary skill in the art. *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004). The properly interpreted claim must then be compared with the prior art.

Principles of Law Relating to Obviousness

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, (1966). *See also KSR*, 127 S.Ct. at 1734 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.") In *KSR*, the Supreme Court emphasized "the need for caution in granting a patent based on the combination of elements found in the prior art," *id.* at 1739.

ANALYSIS

The Appellants argue that the rejection of claims 1, 37, and 39 under 35 U.S.C. § 102(b) as anticipated by Lambert is improper because the reference fails to disclose the claimed feature of "obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables" (Br. 10, Reply Br. 2). The Appellants argue that such a formula is clearly different than the price estimate formula disclosed in Lambert (Reply Br. 2).

The Examiner has determined that Lambert does disclose obtaining a formula for calculating the tendency of the value of the asset to change as a result of the change in data values for the exogenous variables (Ans. 3). The Examiner has determined that one of ordinary skill in the art would understand that the formula disclosed in Lambert at Column 1, lines 31-35, provides such a formula (Ans. 10).

We agree with the Appellants. The formula obtained in Lambert at Column 1, lines 31-35 determines the estimated future price of the stock where $P = AV_1 + BV_2 + CV_3 + DV_4 + EV_5 +/- K$. In this formula P is the price of the stock, V_1-V_5 are variables and A-E are multiplying coefficients (FF1). This disclosed formula of Lambert is used as a model to predict an expected high price and low price for a desired stock (FF2). This formula is used to predict stock prices not the "*tendency* of the value of the asset to change as a result of changes in the data values for the exogenous variables" as required by claims 1, 37, and 39. There is a clear distinction between the "*price* of an asset" and the "*tendency* of the value of the asset to change". One of ordinary skill in the art would recognize that the "*tendency* of the value of an asset to change" referred to asset volatility, sensitivities, or

similar variables as opposed to the raw asset price. The claim also requires that the formula "result of changes in the data values for the exogenous variables". As Lambert fails to disclose this claimed limitation, the rejection of claims 1, 37, and 39 under 35 U.S.C. § 102(b) as anticipated by Lambert is not sustained. The rejection of dependent claims 2, 6-7, and 14 under 35 U.S.C. § 102(b) as anticipated by Lambert is not sustained for the same reasons.

The rejection of claims 3-5, 12-13, and 21 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Bekaert is not sustained as the Bekaert reference fails to cure the deficiency in the base rejection addressed above.

The rejection of claims 8-9, 15-18, and 22-26 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Makridakis is not sustained as the Makridakis reference fails to cure the deficiency in the base rejection addressed above. Makridakis discloses forecasting methods based on regression analysis (FF8). Makridakis does not discloses obtaining a formula for calculating a measure of a tendency of the value of the asset to change as a result of changes in the data values for the exogenous variables (FF9). One of ordinary skill in the art would recognize that the "*tendency* of the value of an asset to change" as required in the formula of claim 1 is different than the method of regression analysis in Makridakis. For this reason the rejection of claims 8-9, 15-18, and 22-26 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Makridakis is not sustained.

The Appellants have shown that the Examiner erred in rejecting 10 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Rebane

and this rejection is not sustained as the Rebane reference fails to cure the deficiency in the base rejection addressed above.

The Appellants have shown that the Examiner erred in rejecting claim 11 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Rebane and Garg and this rejection is not sustained as the Rebane and Garg references fail to cure the deficiency in the base rejection addressed above.

The Appellants have shown that the Examiner erred in rejecting claim 27 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Goertzel and this rejection is not sustained as the Goertzel reference fails to cure the deficiency in the base rejection addressed above.

The Appellants have shown that the Examiner erred in rejecting claims 19-20 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Ray and this rejection is not sustained as the Ray reference fails to cure the deficiency in the base rejection addressed above.

CONCLUSIONS OF LAW

We conclude that Appellants have shown that the Examiner erred in rejecting claims 1-2, 6-7, 14, 37, and 39 under 35 U.S.C. § 102(b) as anticipated by Lambert.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 3-5, 12-13, and 21 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Bekaert.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 8-9, 15-18, and 22-26 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Makridakis.

We conclude that Appellants have shown that the Examiner erred in rejecting claim 10 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Rebane.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 11 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Rebane and Garg.

We conclude that Appellants have shown that the Examiner erred in rejecting claim 27 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Goertzel.

We conclude that Appellants have shown that the Examiner erred in rejecting claims 19-20 under 35 U.S.C. § 103(a) as unpatentable over Lambert in view of Ray.

DECISON

The Examiner's rejection of claims 1-27, 37, and 39 is not sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

REVERSED

LV:

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